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165-518

IN THE

# Supreme Court of the United States.

OCTOBER TERM, 1895.

THE VULCAN IRON WORKS
*vs.*
SMITH, MYERS AND SCHNIER. } No. ~~490~~ 200

**On a Writ of Certiorari to the Circuit Court of Appeals for the Ninth Circuit.**

## MOTION TO ADVANCE.

CALDERON CARLISLE,
*Of Counsel for Vulcan Iron Works, Appellants below.*

Pearson Printing Office, 9th and D sts.

IN THE

# Supreme Court of the United States.

OCTOBER TERM, 1895.

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THE VULCAN IRON WORKS
*vs.*
SMITH, MYERS AND SCHNIER. } No. 496.

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**On a Writ of Certiorari to the Circuit Court of Appeals for the Ninth Circuit.**

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Come now the parties hereto, and under stipulation herein filed move the court to advance this cause and set the same for hearing on the first Monday of November, 1896.

CALDERON CARLISLE,
*Of Counsel for Vulcan Iron Works.*

And in support of the foregoing motion to advance, in addition to the annexed stipulation, the undersigned respectfully shows that this Honorable Court at its last term issued its writ of certiorari to the Circuit Court of Appeals for the Ninth Circuit, to which due return has been made.

That the writ was applied for on the ground that its issuance was necessary in the interest of uniformity of decision, because there was a diversity of opinion and conflict of decision among the different Circuit Courts of Appeal on the question presented by the application,

and because the question on which a decision was asked was one of peculiar gravity and great importance.

In granting the writ the court gave no opinion, but it is to be presumed that the writ was granted on one or the other of these grounds, or perhaps on both grounds.

The case involves the determination of the true scope of the jurisdiction of the Circuit Courts of Appeal upon appeals from interlocutory orders or decrees granting or continuing injunctions and the proper practice on such appeals.

The date fixed for the hearing in the motion to advance is suggested because the appellees below, who are the movers in this court, desire ample time within which to print the record, which is voluminous and expensive.

Respectfully submitted.

CALDERON CARLISLE,
*Of Counsel for Vulcan Iron Works, Appellants below.*

IN THE

# Supreme Court of the United States.

October Term, 1895.

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SMITH, MYERS AND SCHNIER
*vs.*
THE VULCAN IRON WORKS. } 496.

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The parties to this cause hereby consent to unite in applying to the Court to advance the cause on the Calendar, and that it be heard on oral argument.

Dated the 5th of February, 1896.

JOHN H. MILLER,
*Attorney for Smith, Myers & Schnier.*

JOHN A. WRIGHT,
*Attorney for the Vulcan Iron Works.*

CALDERON CARLISLE,
*Of Counsel for Vulcan Iron Works.*

LOUIS T. MICHENER,
*Of Counsel for Smith, Myers & Schnier.*

165-518

IN THE

# Supreme Court of the United States.

OCTOBER TERM, 1894.

*Ex parte* SMITH, MYERS, AND SCHNIER.

*Brief in Opposition to the Application for a Writ of Certiorari to Review the Case of the Vulcan Iron Works v. Smith, Myers, and Schnier, in the Circuit Court of Appeals for the Ninth Circuit.*

CALDERON CARLISLE,
WILLIAM G. JOHNSON,
*Counsel for The Vulcan Iron Works,*
*Appellants below.*

Pearson Printing Office, 9th & D Sts.

IN THE

# Supreme Court of the United States.

OCTOBER TERM, 1894.

*Ex parte* SMITH, MYERS, AND SCHNIER.

*Brief in Opposition to the Application for a Writ of Certiorari to Review the Case of the Vulcan Iron Works v. Smith, Myers, and Schnier, in the Circuit Court of Appeals for the Ninth Circuit.*

This is an application for a writ of certiorari under the sixth section of the Judiciary Act of 1891, *the real object of which is to secure a review by this court of the decision of the Circuit Court of Appeals for the Ninth Circuit on an appeal in a patent case from an interlocutory decree of the Circuit Court for the Northern District of California.*

The allegation is made in the petition and reinforced by argument in the brief that the writ should issue because of the "gravity and importance" of the case and in the interest of "uniformity of decision," because there is a diversity of opinion and conflict of decision among the different Circuit Courts of Appeals on the question presented by the application.

It is submitted that neither ground is well taken, that the "gravity and importance" of this case does not come within any of the definitions of those terms which can be gathered from the decisions of this court, and that the diversity of opinion and decision arises on a matter of

procedure, and it does not appear that even on that matter "the Circuit Court of Appeals for one circuit has rendered a different judgment from that of the Circuit Court of Appeals for another UNDER THE SAME CONDITIONS;" nor does it appear that in this case there can be any "extraordinary inconvenience and embarrassment in the conduct of the cause which it is necessary to prevent."

Amer. Const. Co. *v.* Railway, 148 U. S. 385.
Columbus Watch Co. *v.* Robbins, Ibid. 270.

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## STATEMENT.

In the case at bar the Circuit Court had proceeded to final hearing, both parties submitting the case after full arguments on pleadings and proofs. If that court had been of the opinion that complainants' patent was invalid, or that the defendant had not infringed it, the bill would have been dismissed, and the case finally disposed of. But the Circuit Court reached the conclusion that the patent was valid, that it had been infringed, and that respondents were bound to pay the damages for the infringement, which should be found due on an accounting. And in its decree it so decided, and furthermore, because of the court's views of the rights of the parties granted a perpetual injunction against the defendant. Now the granting of this perpetual injunction, in its decree, though entitled an interlocutory decree, made it competent for the defendants to take an appeal to the Circuit Court of Appeals for the Ninth Circuit under the seventh section of the Judiciary Act of 1891, and the proviso of the section left it to the Circuit Court to direct or order how far the proceedings in the case should be stayed by the appeal. The defendant below prayed an appeal from the whole decree and sought to supersede the execution of the whole decree, the appeal was allowed, and the execution

of the whole decree was superseded by the order of the Circuit Court, and a supersedeas bond approved. (Rec. p. 577.) When the case reached the Circuit Court of Appeals an attempt was made by the appellees (the petitioners here) to limit the jurisdiction and decree of the Circuit Court of Appeals to what was called the injunctional feature. But the Circuit Court of Appeals declined to so limit its jurisdiction, on this appeal under section seven from the whole decree of the Circuit Court, because its power over the cause was not limited by any order of the court below, and was not otherwise contracted by the statute.

And as it was not a subject of doubt which led that court to certify any question to this court, the Circuit Court of Appeals examined the grounds on which the Circuit Court had passed its interlocutory decree granting a perpetual injunction against the defendant below, viz., *the validity of the complainants' patent and the fact of the defendant's infringement*, and reached a different conclusion on these very matters which alone warranted the granting of any injunction, and reversed the decree of the Circuit Court. A petition for rehearing was filed before the Circuit Court of Appeals, but was denied.

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## ARGUMENT.

Let us see, *first*, what the law provides, what the court did, and what petitioners think it ought to have done, and incidentally the want of *gravity and importance* in the matter presented to this court will appear; *second*, whether there is any *conflict* in decisions of the Circuit Courts of Appeals *under the same conditions.*

### I.

An appeal for an interlocutory decree was first provided for by a statute of the United States in section 7 of the Judiciary Act of 1891.

An interlocutory decree is usually made at some hearing before the final hearing, but it may be made when one or both parties are ready and anxious for the final disposition of the case; but the court is of opinion that the time has not come to make its final decree. The uniform policy of all the statutes of the United States, before the Judiciary Act of 1891, had been to permit appeals and writs of error only from final decrees and judgments, and this court has always applied, as a test of its jurisdiction, the finality of the decree appealed from. It is true that in certain cases where the court below had finally disposed of and settled all the rights of either party, this court has held a decree to be final when it left nothing but matters of computation and account to be settled on principles already decided by the court, and in the case at bar it might well have been contended that the decree of the Circuit Court, while interlocutory in form, was really, in substance, a final decree, as to the defendant.

But the Judiciary Act of 1891 has introduced a new provision and principle in the matter of appeals by its seventh section. The text of the section is as follows:

"That where, upon a hearing in equity in a District Court, or in an existing Circuit Court, an injunction shall be granted or continued by an interlocutory order or decree, in a cause in which an appeal from a final decree may be taken under the provisions of this act to the Circuit Court of Appeals, an appeal may be taken from such interlocutory order or decree granting or continuing such injunction to the Circuit Court of Appeals: *Provided*, That the appeal must be taken within thirty days from the entry of such order or decree, and it shall take precedence in the appellate court; and the proceedings in other respects in the court below shall not be stayed unless otherwise ordered by that court during the pendency of such appeal." (26 Stat. 826, 828.)

While the Judiciary Act of 1891 undoubtedly had for its primary object the relief of this court, it was also in-

tended by its provisions to offer something in the way of advantage in the disposition of the business of litigants, and by this section 7 it was expressly provided that appeals should lie from the Circuit Courts to the Circuit Courts of Appeals from all interlocutory orders or decrees which should have a certain character and effect.

The appeal was to be from the interlocutory order or decree, not from any part or provision of it, and the character of the order or decree from which an appeal would lie was absolutely fixed by the language of section 7, "an appeal may be taken from such interlocutory order or decree granting or continuing such injunction to the Circuit Courts of Appeals." The terms of this section would allow in the same case an appeal from an interlocutory order granting an injunction on bill filed, from an order continuing the injunction on the coming in of the answer; from a decree continuing the injunction *pendente lite*, and from a decree granting a perpetual injunction. And appeals in the same suit might be multiplied by the filing of a cross-bill praying relief by injunction against the complainant.

There is nothing in the length and breadth of the Judiciary Act of 1891, or in the history of equity jurisprudence, shedding light on its terms which would suggest the idea that the provisions of section 7 of the act meant to limit the appeal from the designated interlocutory orders or decrees to the injunction granted or continued, nor is it perceived how this could have been accomplished; but to prevent confusion and injustice, and extraordinary embarrassment and inconvenience in the conduct of a cause, a very necessary proviso was added to section 7, recognizing the control which the court below must necessarily have over its own proceedings in a case where only interlocutory orders or decrees had been passed, and providing for the exercise of that control.

The appeal from the interlocutory order or decree granting or continuing the injunction was only to be in cases

where the Circuit Courts of Appeals had jurisdiction to finally dispose of the case, and it is provided that during the pendency of such appeals the proceedings in the court below shall not be stayed unless otherwise ordered by that court during the pendency of such appeals. It is conceived that the legislative intent could have been made no plainer by an attempt to provide in terms for every possible attitude of the lower court towards its own order or decree, or towards the question whether proceedings in a case should be stayed in whole or in part.

In the case at bar neither the court below nor the defendant in anywise limited the appeal, and the court below allowed a supersedeas which stayed all proceedings pending the appeal. The cause was, therefore, in exactly the same posture before the Circuit Court of Appeals as when the decree appealed from was passed. The Court of Appeals found that there was no ground for granting a perpetual injunction, and reversed the decree of the court below. The Circuit Court had found ample ground for granting the injunction, because it had found that the complainants' patent right was a valid one which the defendant had infringed. The only way in which the correctness of the interlocutory decree granting a perpetual injunction could be determined by the appellate court was by examining whether the granting of such an injunction was warranted by the facts and law presented to the court below by the pleadings and proofs before it.

Counsel for petitioners contend that the Circuit Court of Appeals in this case was "limited to an inquiry whether the injunction was properly granted in the legal discretion of the trial court. Upon such an inquiry the decree would have been affirmed, because, assuming the findings of fact to be correct, there was clearly no abuse of discretion in granting the injunction."

What petitioners here suggest as to the disposition which the Circuit Court of Appeals should have made of the appeal before them would have been a mockery both in

form and substance, both as to "procedure" and "substantial right." They would have permitted an injunction to stand which they considered never should have been granted, and would have subjected defendant not only to the burdensome effect of the injunction, but to a long and expensive accounting, knowing all the time that when the same case came back to them after final decree they must begin by reversing the very decree which they had affirmed with full knowledge that the patent was invalid, and that the injunction should never have been granted, that there was no infringement, and that there should have been no accounting.

If such a disposition of this case had been made by the Circuit Court of Appeals the case would undoubtedly have been a proper one for the issuance of the writ of certiorari under the intimation of Amer. Cons. Co. *v.* Railway, (148 U. S. 385,) as "necessary to prevent extraordinary inconvenience and embarrassment in the conduct of the cause."

Here we have no inconvenience or embarrassment in the conduct of the cause as a consequence of the disposition of the Circuit Court of Appeals on an appeal from an interlocutory decree; indeed, the disposition tends to prevent inconvenience and embarrassment in the conduct of the cause, although it naturally produces the inconvenience and embarrassment of disappointment to the petitioners here.

The gravity and importance of the matter in hand seem confined, like the inconvenience and embarrassment, to the sensations of the petitioners.

II.

But it is said in the brief for petitioners that the writ should issue in the interest of uniformity of decision, because there is a diversity of opinion and conflict of decision among the different Circuit Courts of Appeals on the question presented by this application.

It is true that different views have been expressed by the Court of Appeals of the Sixth Circuit on the question of procedure here involved from the views which governed the Circuit Court of Appeals for the Ninth Circuit, and in that sense different decisions have been made, but not *under the same conditions.*

In Watch Co. *v.* Robbins, (52 Fed. Rep. 337,) the court below allowed an appeal from so much of the decree as granted an injunction, and in this limited allowance the party appellant acquiesced, and took no other appeal. It is true that both parties joined in asking the Court of Appeals to consider and dispose of the whole case, but the court conceived itself to be without jurisdiction under this limited appeal, doubted the possibility of taking a more extended appeal under section 7, and was quite clear that consent of parties could not give them jurisdiction of anything more than the appeal brought there.

The first time the scope of this section of the Judiciary Act of 1891 was construed was in Richmond *v.* Atwood, (48 Fed. Rep. 910.) In that case the appeal was from the whole decree below, and the proceedings there had been stayed as in the case at bar. The Circuit Court of Appeals for the First Circuit entered into a consideration of the validity of the patent and its infringement as grounds for the injunction, and being of opinion that complainant was not entitled to an injunction, reversed the decree of the Circuit Court as in the case at bar; no question as to jurisdiction was raised at the first hearing. Upon rehearing, however, (52 Fed. Rep. 10,) the question of jurisdiction *was* raised, and the court held, in a careful and well-considered opinion, that a decree which is rendered after full hearing on the merits, and which sustains the validity of a patent, declares infringement and awards perpetual injunction and an accounting, is an interlocutory decree granting an injunction from which an appeal will lie to the Circuit Court of Appeals under the seventh section of the Judiciary Act of 1891.

The Circuit Court of Appeals for the First Circuit said in that case: "The record before us is complete. Everything is here for our consideration which was before the court below. We must go to the full merits, as shown by the record, in order to determine whether the interlocutory decree for a perpetual injunction is founded on error. * * * Under the authorities and equity practice to which we have referred, and upon principle, it seems to us clear that while the appellate court is not bound by an inflexible rule so to do, it may in its discretion, and ought when equity so requires, make full direction as to the manner in which the case should be disposed of below. No special or peculiar conditions have been suggested as existing in this case as a reason why a mandate should not be as broad as the decree in the Circuit Court; but on the contrary, as it seems to us, there are strong equitable reasons why an accounting in a patent cause, which is incident to and based upon a finding, and on a decree which, upon the record, appears to the appellate court to be erroneous, should not proceed. And it is our conclusion, as the full record is before us upon appeal from an injunction granted by an interlocutory decree, after a full hearing and a finding which undertakes to finally dispose of the property right involved, that we should direct and finally dispose of the case in accordance with the view which we hold upon the substantial merits."

In the case of Jones *v.* Munger, (49 Fed. Rep. 61,) the appeal was from the whole of an interlocutory decree granting a perpetual injunction, and the proceedings in the court below were stayed. The Circuit Court of Appeals for the Fifth Circuit reached a different conclusion from the Circuit Court, held the patent invalid, that there was no infringement, and reversed the decree.

On petition for rehearing (same case, 50 Fed Rep. 785) the court adhered to its disposition of the case, though it was insisted that the power of the court on an appeal

under the seventh section was limited to the injunctional feature of the interlocutory decree below.

It is clear, therefore, that while the Circuit Courts of Appeals appear to have expressed different views, and to have rendered different decisions on the question of procedure involved in this application, these different decisions were not under the same conditions, but under very different conditions.

In the cases just cited the appeals were taken from the whole interlocutory decree. The court below did not attempt to limit the appeal, and the party did not confine his appeal to any part or parts of the decree.

Richmond *v.* Atwood, 48 Fed. Rep. 910; same case, rehearing, 52 Fed. Rep. 10.

Jones *v.* Munger, 49 Fed. Rep. 61; same case, rehearing, 50 Fed. Rep. 785.

In the case of Robbins *v.* Columbus Watch Company, (52 Fed. Rep. 337,) the court below not only refused to allow any appeal from the whole interlocutory decree and confined the allowance of the appeal to so much of the decree as granted an injunction limiting the supersedeas to the injunction, but refused by its order to otherwise stay the proceedings in the cause. In this posture of the cause the defendant below acquiesced; his appeal was limited to so much of the decree as granted an injunction, and he did nothing in the court below to enlarge that appeal. In the Circuit Court of Appeals the defendant, appellant there, sought under an agreement with his adversary in effect to enlarge his appeal and have a review of the whole decree. It would seem that under the circumstances the Circuit Court of Appeals was warranted in holding themselves powerless to review those portions of the interlocutory decree below which were not appealed from, and under which proceedings were not stayed, and that it was unnecessary in that case to go into any discussion of the true construction of the seventh

section of the statute, or to announce any views at variance with those of the Circuit Court of Appeals of the First Circuit in Richmond *v.* Atwood, (*supra,*) and while the views expressed by the Circuit Court of Appeals of the Fifth Circuit are not exactly in accord with those expressed in either the First Circuit or the Sixth Circuit as to the question of procedure, it is submitted that the court in Jones *v.* Munger, (50 Fed. Rep. 785,) took a correct view of the seventh section.

"An allowance of an appeal," say the court, (p. 786,) "from an interlocutory decree granting or continuing an injunction in an equity cause under the seventh section of the Judiciary Act of 1891, is a new feature of the practice in the courts of the United States. Being of a highly remedial nature, it ought to be so construed as to give full force to the intention of the lawmaker. The mischief to be remedied by the act was that injunctions which deprived parties of the possession and control of property, or compelled enforced action in the use of property, were, under the practice of the court, frequently rendered long before the final hearing in the case, and operated to a great extent in the nature of execution before judgment. This mischief was as great in patent cases where parties on hearings preliminary to the final decree were enjoined pending long and tedious examinations in the matter, solely of accounting, as in any other case of preliminary injunction. * * * This court having jurisdiction of the appeal under the seventh section, and having jurisdiction under the sixth section, if a final decree had been rendered in the Circuit Court it would seem to have been competent for the appellee to waive a formal final decree and submit the cause to this court on its merits."

It is submitted that there is no substantial conflict between Jones *v.* Munger and Richmond *v.* Atwood—indeed they mutually support each other even by their variant reasoning; while there is no conflict between

these cases and that of Robbins *v.* Columbus Watch Co., as the only point necessary to be decided in the latter case arose under conditions which did not exist in either of the cases first mentioned.

## Conclusion.

It is confidently submitted that the petition for the writ of certiorari should be denied:

*First.* Because the question raised by this application, in view of the disposition of the cause by the Circuit Court of Appeals for the Ninth Circuit on an appeal from an interlocutory decree, is simply a question of "*procedure,*" and not of "*substantial right.*"

*Second.* Because the issuance of the writ at this time is not "*necessary to prevent extraordinary inconvenience and enbarrassment in the conduct of the cause.*"

*Third.* Because the question on which a decision is asked is not one "*of peculiar gravity and general importance*" in the sense in which this court has employed these terms.

*Fourth.* Because the apparent diversity of views amongst the different Circuit Courts of Appeals on the question here presented does not amount to a conflict of decision "*under the same conditions.*"

*Fifth.* Because the disposition which the Circuit Court of Appeals for the Ninth Circuit did make of this cause was a just and proper exercise of the jurisdiction conferred on it by the act of 1891, which confided to it the final decision of patent cases, providing a means of consulting this court on questions of doubt, and committing to the discretion of this court a power of supervision by certiorari or otherwise, which it has held should be sparingly exercised under conditions which this case does not present.

CALDERON CARLISLE,
WILLIAM G. JOHNSON,
*Counsel for The Vulcan Iron Works,*
*Appellants below.*

165—578.

Office Supreme Court, U. S.
FILED.
JAN 18 1897
JAMES H. McKENNEY,
CLERK.

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1896.

**No. 200.**

THE VULCAN IRON WORKS

*vs.*

SMITH, MYERS AND SCHNIER.

**Brief for the Vulcan Iron Works in Support of the Jurisdiction of the Circuit Court of Appeals to Enter or Direct a Final Decree on the Merits on Appeal, Under Section 7 of the Judiciary Act of March 3, 1891, from an Interlocutory Decree Granting or Continuing an Injunction.**

CALEDRON CARLISLE,
WILLIAM G. JOHNSON,
*Counsel for Vulcan Iron Works.*

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*Second.* Because the issuance of the writ at this time is not "*necessary to prevent extraordinary inconvenience and embarrassment in the conduct of the cause.*"

*Third.* Because the question on which a decision is asked is not one "*of peculiar gravity and general importance*" in the sense in which this court has employed these terms.

*Fourth.* Because the apparent diversity of views amongst the different Circuit Courts of Appeals on the question here presented does not amount to a conflict of decision "*under the same conditions.*"

*Fifth.* Because the disposition which the Circuit Court of Appeals for the Ninth Circuit did make of this cause was a just and proper exercise of the jurisdiction conferred on it by the act of 1891, which confided to it the final decision of patent cases, providing a means of consulting this court on questions of doubt, and committing to the discretion of this court a power of supervision by certiorari or otherwise, which it has held should be sparingly exercised under conditions which this case does not present.

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The question to be argued in this case under the order passed herein on the 11th of January, 1897, is the question propounded by the court itself in the order passed on November 16, 1896, in Norton *vs.* Wheaton, No. 639. And that question is to be argued and submitted in both cases at the same time.

The question is as follows:

> "Whether upon an appeal from an interlocutory decree granting a temporary injunction in a patent case the Circuit Court of Appeals can render or direct a final decree on the merits."

By the petitions for certiorari in these two cases (Nos. 200 and 639) it appears that both cases are "patent" cases,

that the appeals in both were from "interlocutory" decrees and that the Circuit Court of Appeals in both cases did "render or direct a final decree on the merits."

But it does not appear that in either case a "temporary" injunction was granted, while in this case the injunction was "perpetual."

It further appears that in both cases the testimony was all taken and the records were complete, and that the causes were fully argued before the Circuit Court and also before the Circuit Court of Appeals.

Counsel conceive it to be their duty to attend strictly to the particular form of the question propounded by the court, but in view of the position of the two cases now before the court to which attention has just been called, they feel obliged to state at the outset their understanding of the matter to be considered and decided in this hearing.

The 7th Section of the Act of March 3, 1891, which provides for appeals from interlocutory orders or decrees granting or continuing an injunction, is not limited to any particular kind of injunction, or to any particular stage of the case; it *is* limited to cases—

> "in which an appeal from a final decree may be taken under the provisions of the act to the Circuit Court of Appeals."

These would seem to be important words as to the intent of Congress, and clearly to indicate that while the nature of the hearing and the nature of the injunction were unimportant, so far as limiting the appeal was concerned, the nature of the cause and the jurisdiction of the appellate court to review a final decree therein was of controlling importance. And this for the very reason that it might become the duty of the appellate court on the appeal from the interlocutory order to enter or direct a final decree on the merits, just as a chancellor must often be obliged, on an application for an injunction, when convinced of the ab-

sence of equity and merit in the case presented, to enter a final decree dismissing a bill.

It must be presumed that when the court in its statement of the question used the word "temporary" in speaking of the injunction granted by the interlocutory decree, although the injunction granted by the interlocutory decree in the case before it does not appear to be a "temporary" injunction, it meant to point the fact that the right of appeal under Section 7 of the Act of March 3d, 1891, was as complete in the case of a "temporary" injunction as in the case of a "perpetual" injunction. When it confined the question by the expression "in a patent case" it meant to choose a well known example of a case within the limitation of Section 7, which applied only to "a cause in which an appeal from a final decree may be taken under the provisions of the act to the Circuit Court of Appeals." And when it used the expression "*can* render" it was meant to direct counsel solely to the question of judicial power, judicial *right* as contradistinguished from judicial duty—the question of jurisdiction as distinguished from both the questions of practice or merits, which might be involved in the case.

Counsel understand the court to invite argument on the question of jurisdiction of the Circuit Court of Appeals to render or direct a final decree on the merits, when the cause is not before it on an appeal from a final decree, but when it comes up on an appeal from an interlocutory decree granting or continuing an injunction—any kind of an injunction, even a temporary injunction—and that the questions of practice which might arise from the nature of the injunction, are as wholly outside of the scope of the court's inquiry as the question of right and justice which might arise on the merits which, are in no sense now before the court either in this case (No. 200) or in the case of Norton *vs.* Wheaton, No. 639.

The question to be argued has never been decided by this court. An attempt was made to bring the question before

the court in Watch Co. *vs.* Robbins, 148 U. S., p. 266, but the case was dismissed on the ground of a defective certificate and the question was not determined.

The same question was raised and argued on the petition for certiorari in this present case, No. 200, but was not determined or, so far as counsel are aware, considered by the court. It is true that the certiorari was directed to issue, as prayed in the petition, but the prayer of the petitioner was simply that the writ issue to bring up the record "to the end that said *case* may be reviewed and determined by this court," as provided by the 6th Section of the Judiciary Act of March 3d, 1891. The cause stands on the docket to be proceeded with, as if it were here on appeal, and but for the stipulation of counsel the court would be obliged to review the case on its merits, even if its decision should be in favor of the jurisdiction of the Circuit Court of Appeals under Section 7, to render or direct a final decree on the merits.

The appeal to the Circuit Court of Appeals in this case was taken under Section 7 of the Act of Congress of March 3, 1891, 26 Stat. 826, which provides:

> "That where, upon a hearing in equity . . . . in an existing circuit court, an injunction shall be granted or continued by an interlocutory order or decree, in a cause in which an appeal from a final decree may be taken under the provisions of this act to the Circuit Court of Appeals, an appeal may be taken from such interlocutory order or decree granting or continuing such injunction to the Circuit Court of Appeals: Provided, etc."

That the appeal in this case is such a one as is provided for by this section can hardly be open to question.

Bissell Carpet Sweeper Co. *vs.* Goshen Sweeper Co., 72 F. R. 545–554, and cases cited at p. 555.

Amer. Constr. Co. *vs.* Jacksonville Ry., 148 U. S. 372.

Though, as already stated, the question here involved has never been decided by this court, it has frequently been before the Circuit Courts of Appeals in the various circuits, and has been considered and decided by them in each circuit as follows:

### First Circuit.

The Circuit Court of Appeals of the First Circuit, in the leading case upon this point (Richmond *vs.* Atwood, 48 F. R. 910, opinion by Judge Colt), considered the merits of the case as bearing on the question of the correctness of the issuance of the injunction, and concluding it to have been wrongfully issued, reversed the decree of the circuit court. A rehearing was granted (52 F. R. 10), and the question of the Circuit Court of Appeals having jurisdiction to review and decide upon the merits was raised for the first time and the court (speaking by Judge Aldrich, Judges Colt and Carpenter sitting with him) held that it had such jurisdiction. In the late case of Marden *vs.* Printing Press Co., 67 F. R. 809, the court (Judges Colt, Putnam and Nelson, Judge Putnam delivering the opinion) expressly approves the doctrine of Richmond *vs.* Atwood.

See also Wright & Colton Wire Cloth Co. *vs.* Clinton Wire Cloth Co., 67 F. R. 790.

### Second Circuit.

In the Second Circuit this question arose in the case of Klimer Manufacturing Co. *vs.* Griswold, 67 F. R. 1017. This was a case involving the validity of two patents and their infringement. The circuit court found that one patent was invalid; that the other had been infringed, and ordered an accounting and issued an injunction restraining future infringement. From this both parties to the suit appealed. The Circuit Court of Appeals (Judge Lacombe delivering the

opinion and Judges Wallace and Shipman sitting with him) examined into the merits; reversed the decree of the court below, and ordered a decree to be entered in conformity with their opinion.

Florida Construction Co. *vs.* Young, 59 F. R. 721 (before Wallace and Wheeler, JJ.), was a suit brought on behalf of the stockholders of the Construction Company for an accounting between that company and another and for a distribution of assets. The Circuit Court issued an order appointing a receiver and enjoining the company from taking their books, etc., out of the jurisdiction. From this order an appeal was taken to the Circuit Court of Appeals which declined to consider the correctness of the appointment of the receiver and confined itself to the determination of the propriety of the injunction, on the ground that the injunction was merely incidental and subsidiary to the other relief granted. At page 722 of the report, however, Wallace, J., says:

> "Whenever the injunction is the main relief granted the whole case is necessarily presented for review. When it is a substantial part of the relief granted it may be necessary to consider the whole case on appeal."

See also Featherstone *vs.* Bidwell Cycle Co., 57 F. R. 631.

Westinghouse Air Brake Co. *vs.* N. Y. Air Brake Co., 63 F. R. 962.

### Third Circuit.

In the Third Circuit in the case of Union Switch Co. *vs.* Johnson Railroad Switch Co., 61 F. R. 940, the Circuit Court of Appeals, consisting of Judges Dallas, Butler, and Green (opinion by Judge Butler), upon an appeal from an interlocutory order of the Circuit Court awarding an injunction and decreeing an accounting reviewed the

whole case on the merits, reversed the decree of the lower court and dismissed the bill, but without discussing the scope of their jurisdiction.

See Erie Rubber Co. *vs.* American Dunlop Tire Co., 70 F. R. 58.

FOURTH CIRCUIT.

The case of Green *vs.* Mills, 69 F. R. 852, decided by the Circuit Court of Appeals of the Fourth Circuit, though not involving a patent is decidedly in point. It was a suit by individuals seeking to restrain a supervisor of registration from performing certain acts under the registration laws of South Carolina. A preliminary injunction was issued by the Circuit Court at the instance of the complainants. The defendant appeared in answer to a rule to show cause why this order should not be continued, and the court continued the order—

> "subject to the final determination of the issues involved in this case until the further order of this court." (See p. 856 of the Report.)

From this order the defendant appealed, and the appeal was heard by Mr. Chief Justice Fuller and District Judges Hughes and Seymour. It was held, Mr. Chief Justice Fuller delivering the opinion, that the bill—

> "cannot be maintained, for it seeks on behalf of individuals to restrain the exercise of governmental powers and asserts no threatened infringement of rights of property or civil rights, and no recognized ground of equity interposition." (p. 859.)

He says in conclusion (p. 866):

> " . . . *Although the appeal is from interlocutory orders*, yet, as we entertain no doubt that such a bill cannot be maintained, we are constrained in reversing these orders to remand the cause with direction to *dismiss the bill.* And it is so ordered."

FIFTH CIRCUIT.

In the Fifth Circuit this question was considered in the case of Jones Co. *vs.* Munger Mfg. Co., 49 F. R. 61 by Judges Pardee, Locke, and Bruce. The case came up on appeal from an order granting a perpetual injunction and referring cause to a master for an accounting. The court speaking by Judge Locke reviewed the case fully on its merits and directed a dismissal of the bill. On rehearing, 50 F. R. 785, by the same judges, Judge Pardee delivered the opinion, and citing Richmond *vs.* Atwood, 48 F. R. 910, approvingly, held that the case having been submitted on the merits without objection, it was too late upon a motion for a rehearing to disturb the jurisdiction of the court. He however modified the former decree so as to direct the cause to be remanded to the Circuit Court with instructions to dissolve and dismiss the injunction.

SIXTH CIRCUIT.

The Circuit Court of Appeals for the Sixth Circuit has several times adjudicated upon this question. It was presented for the first time in the case of Columbus Watch Co. *vs.* Robbins, 52 F. R. 337, before Mr. Justice Jackson, then circuit judge, and Judges Taft and Hammond. The Circuit Court (50 F. R. 545), after hearing the cause on pleadings, proof, etc., found for the validity of the patent, that there was infringement, ordered an accounting and issued an injunction. From this order the court allowed an appeal, but only "from so much of the decree, the same being interlocutory, as grants an injunction." A complete transcript of record was filed with the Circuit Court of Appeals, and both parties united in an application to that court that it should hear and finally determine the entire cause on its merits. This the court declined to do, Mr. Justice Jackson saying, at p. 339:

> "This *limited appeal* from a part of the interlocutory decree, clearly did not remove the whole case or

> the entire decree from the Circuit Court into this court. . . . This court by virtue of that appeal has before it for determination only the question whether that injunction should be sustained or dissolved."

He disapproves Jones Co. *vs.* Munger Mfg. Co., supra, and in view of the different conclusions there reached certifies this case to the Supreme Court. (See p. 3, supra.)

After the dismissal of this case by the Supreme Court, it came on to be heard again by the Circuit Court of Appeals upon the appeal from the decree of the circuit court, as originally presented. (64 F. R. 384.) The court, consisting of Judges Taft, Lurton, and Ricks, Taft, J., delivering the opinion, fully discussed the merits of the case. The opinion concludes as follows (p. 397):

> " It was decided that we could not hear and finally determine the merits of the controversy as to the validity of the patent and its infringement. (52 F. R. 337). In looking into the record, however, to determine whether the discretion of the Circuit Court was properly exercised, we have found ourselves obliged to consider the validity of the patent and its infringement, with the conclusion above stated. As the patent is valid and was infringed by the defendants, the court necessarily exercised proper discretion in granting the injunction appealed from, and its decree is affirmed."

Blount *vs.* Societe Anonym, etc., 53 F. R. 98, was an appeal from an order granting a preliminary injunction. Mr. Justice Jackson again speaking for the court, held at p. 102, that the point to be inquired into was " whether the order complained of was an improvident exercise of a legal discretion on the part of the circuit court," and held the injunction to have been properly issued. This decision is followed in Duplex Printing Press Co. *vs.* Campbell, etc., Mfg. Co., 69 F. R. 250, and Thompson *vs.* Nelson, 71 F. R.

339; both appeals from orders granting preliminary injunctions.

This question was again presented before the Court of Appeals for this circuit in the two appeals of Goshen Sweeper Co. *vs.* Bissell Carpet Sweeper Co., 72 F. R. 67, and Bissell Carpet Sweeper Co. *vs.* Goshen Sweeper Co., 72 F. R. 545, Judges Taft, Lurton, and Hammond composing the court. In the latter case, at p. 558, Judge Lurton, in an elaborate and careful opinion, expressly overrules Watch Co. *vs.* Robbins, 52 F. R. 337, and holds that upon an appeal from an interlocutory order granting a perpetual injunction and referring a case for an accounting, the Circuit Court of Appeals may finally adjudicate upon the merits of the case. As this case will be referred to hereafter, it is not deemed necessary to dwell upon it longer at this point.

In Dueber Watch Case Mfg. Co. *vs.* Robbins, 75 F. R. 17, decided in May, 1896, the Circuit Court entered an interlocutory decree sustaining patent, finding infringement, granting an injunction and referring the case to a master. Upon an appeal from this decree the Circuit Court of Appeals fully considered the merits and reversed the decree with instructions to dismiss the bill without discussing their jurisdiction to direct a final decree upon such an appeal.

### Seventh Circuit.

In the Circuit Court of Appeals for the Seventh Circuit, this question was incidentally touched upon in Electric Mfg. Co. *vs.* Edison Electric Light Co., 61 F. R. 834. This case came on before Judges Wood, Jenkins and Bunn upon an appeal from an interlocutory order granting a preliminary injunction. In his opinion, affirming the order appealed from, Judge Jenkins discusses the merits but holds it unnecessary here to inquire into the jurisdiction of the Circuit Court of Appeals upon such an appeal—

> "because assuming the right of the appellate court to review to the fullest extent the decision of the

> court below, we are satisfied with the correctness of the conclusion reached upon the merits with respect to the issuance of the preliminary injunction." (p. 837.)

And in the following cases upon appeals from interlocutory decrees, jurisdiction on the merits was exercised, the decree of the Circuit Court being reversed with directions to dismiss the bill:

> Temple Pump Co. *vs.* Goss, &c., Co., 58 F. R. 196.
> Northwestern Stove, &c., Co. *vs.* Lee, 58 F. R. 182.
> Card *vs.* Colby, 64 F. R. 594.

### Eighth Circuit.

The Circuit Court of Appeals for the Eighth Circuit, consisting of Judges Caldwell, Sanborn and Thayer, had this question before it in the late case of Lockwood *vs.* Wickes, 75 F. R. 118, decided June, 1896.

This was an appeal from an interlocutory decree finding infringement, referring the case to a master for an accounting and granting a perpetual injunction. The case was heard twice, and before the rehearing took place the patent expired. Judge Thayer held that, by virtue of the expiration of the patent, the interlocutory injunction was dissolved, and as the appeal was taken solely from the order granting the injunction, there was nothing for the judgment of the court to operate upon, and the appeal must therefore be dismissed. In answer to the contention that the appeal should be retained for the purpose of determining the validity of the patent, the court says, at p. 123:

> " . . . . if we undertake to decide on the present appeal whether the patent is valid or otherwise, we must do so for the purpose of determining whether the interlocutory injunction was properly awarded, and ought to be continued in force, and for no other purpose."

But the injunction having already been dissolved, there could be no occasion for such an inquiry.

NINTH CIRCUIT.

In the Ninth Circuit the Court of Appeals, in the case of Consolidated Piedmont Cable Co. *vs.* Pacific Cable Co., 58 F. R. 226, has expressly approved the decision rendered in the case at bar on the motion to limit the appeal to that part of the decree of the Circuit Court granting the injunction. In that case, heard before Judges McKenna and Gilbert, the court went fully into the merits on the first hearing. Later an inquiry was suggested whether the court had jurisdiction to review the case on its merits, and direct a final decree; and it was held by McKenna, J., for the court, that it had, and the former decision was affirmed.

See also Norton *vs.* Wheaton, 70 F. R. 833.

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From this review of the authorities it appears that in the first, second, third, fourth, fifth, sixth, seventh and ninth circuits the jurisdiction of the Circuit Court of Appeals, upon an appeal from an interlocutory order granting an injunction, to inquire into the merits of the case presented, has been sustained, while in the eighth circuit the practice has not been determined, although the authorities, as far as they go, are in accord with the views expressed in the other circuits.

That the 7th Section of the Act of March 3, 1891, is broad enough in its terms to warrant the construction contended for cannot be open to doubt. It provides that "*upon a hearing in equity*," when a Circuit Court shall have, by an interlocutory order, granted, etc., an injunction in a cause in

which an appeal would lie to the Circuit Court of Appeals from a final decree, then—

> *"an appeal may be taken from such interlocutory order or decree granting or continuing such injunction to the Circuit Court of Appeals."*

There is no limit set as to what shall be considered on such an appeal, and it is submitted that unless in the allowance of the appeal, the appeal be restricted to a specified part of such decree or order, the Circuit Court of Appeals is not only at liberty, but is in duty bound, to consider the whole case submitted to the Circuit Court, in so far as the record before it is complete. While the primary object of the Circuit Court of Appeals Act was to relieve the Supreme Court (Amer. Const. Co. *vs.* Jacksonville Ry. Co., 148 U. S. 372–382), yet it was also intended to benefit suitors in the Federal Courts, and it is to this end that the 7th Section is particularly and solely directed. Before the enactment of this statute there was no such thing in Federal practice as an appeal from an interlocutory decree, though in England, such appeals have long been allowed, for the reason that, as stated by Mr. Daniel,

> "Courts of equity often decide the merits of a case in intermediate orders, and the permitting of an appeal, in the early stage of the proceedings, frequently saves the expense of further prosecuting the suit."
>
> 2 Ch. Pl. & Pr. (4 Ed.), p. 1492.
>
> See also Forgay *vs.* Conrad, 6 How. 205.

The section of the act in question provides for a want long felt in our equity practice, and to that extent is remedial and should be liberally construed.

> Bechtel *vs.* U. S., 101 U. S. 597–599.
>
> Jones Co. *vs.* Munger Mfg. Co., 50 F. R. 785.

It is more reasonable to suppose that Congress in enacting

this statute intended to give the Circuit Court of Appeals, on an appeal from an interlocutory order, a jurisdiction analogous to that of the House of Lords upon similar appeals, than to suppose that it intended the Circuit Court of Appeals in a case like that of Green *vs.* Mills, in the Fifth Circuit, supra, where the bill could not have been maintained under any circumstances, to sit idly and after directing the injunction to be dissolved await the cause being brought before it again upon an appeal from a final order, before determining this plain question of law which inevitably disposed of the whole case, thus subjecting the litigants to great and unnecessary expense and inconvenience. Yet this is precisely what would result if the contention that the jurisdiction of the Circuit Court of Appeals is limited strictly to the injunctional feature of the decree appealed from, were to be sustained.

In Green *vs.* Mills, which was an appeal from a *preliminary* injunction, Mr. Chief Justice Fuller directed the circuit court to enter a final decree, viz: to dismiss the bill. If that could be done in such a case is it not strictly reasonable and proper that the Circuit Court of Appeals should have jurisdiction to finally determine a case which comes before it with a full and complete record on every point involved, lacking only the master's report on the question of the amount of damages? This was precisely the condition of the case at bar when it came before the Circuit Court of Appeals.

But it is unnecessary to make any further suppositions. The two appeals in the Carpet Sweeper Case in the Sixth Circuit (72 F. R. 67 and 545), plainly illustrate the difficulties in which the courts would find themselves plunged were they confined within the limited jurisdiction contended for by petitioners in this cause. The first appeal was taken by the Goshen Co. from an interlocutory decree of the Circuit Court determining the validity of a certain patent owned by the Bissell Co. and finding that the Goshen Co. had in-

fringed. The decree awarded a perpetual injunction and referred the cause to a master for an accounting. The Circuit Court of Appeals upon a full hearing, considered and determined both the validity and meaning of the patent and also the question of infringement and affirmed the decree. On a petition for rehearing the court adhered to its first conclusion and Lurton, J., concluded his opinion (p. 78 of the report) in these words:

> "We have been obliged to consider and express an opinion upon the merits of the entire case, because the injunction awarded was granted only upon a full hearing by the Circuit Court, and upon a full consideration of the validity and proper interpretation of the second claim of Plumb's patent, and a determination that appellants had infringed that claim as construed. We find no error in the action of the Circuit Court in awarding the injunction, and affirm decree, in so far as the question is involved by this appeal. Watch Co. *vs.* Robbins, 64 F. R. 384–400. We do not think, in the present status of this suit, no final decree having yet been announced, that we are called upon to determine the effect of this affirmance should the case be again appealed after the account of profits and damages has been stated and confirmed. *The mandate will simply recite that the court finds no error in the decree awarding an injunction.* The application for a rehearing must be denied."

The Circuit Court, after this affirmance, undertook to modify its former decree in so far as to permit the Goshen Company to sell and dispose of certain machines, against doing which it had been by the first decree enjoined, and from this order, under the Act of Congress of February 18, 1895, amending Sec. 7, Act March 3, 1891, the Bissell Company appealed. It is evident that in passing this order the Circuit Court, taking the mandate at its face, and mindful of the rule laid down in Watch Co. *vs.* Robbins, which the court had cited approvingly in its opinion, exercised

only what it conceived to be its authority and treated the decision of the superior court as extending no further than to a mere finding that the lower court had properly exercised its discretion in granting the injunction. Having this application of the rule it had laid down in the Watch Co. *vs.* Robbins case thus forced upon its attention, the Circuit Court of Appeals for the Sixth Circuit was constrained to overrule that case and to hold in an able and exhaustive opinion that its decision upon the merits on an appeal from an interlocutory order is binding and conclusive upon the lower court. At page 558 Lurton, J., for the court, says:

> "In this circuit the case of Watch Co. *vs.* Robbins, 52 F. R. 337, is in conflict with the weight of authority in courts of co-ordinate jurisdiction, and is not in accord with the views now entertained by this court. So much of the opinion as deals with the question of the enlargement of jurisdiction by consent is eminently sound, and meets with our unqualified approval. So far, however, as the opinion proceeded upon the theory that this court, although it might be obliged to consider the entire merits of the case, could not authoritatively decide or determine any question pertaining to the merits, and should limit its decree to a mere ruling as to whether the injunction should be retained or dissolved, it does not meet the approval of the court. In overruling that case, a majority of the court, who then constituted the court, now concur, being a majority of the present court." [Taft and Hammond, JJ.]

The court therefore reversed the decree appealed from, and remanded the cause, "with directions to take such other and further proceedings as are not inconsistent with this opinion."

No better illustration of the difficulties and inconveniences that would arise from the application of the rule laid down in Watch Co. *vs.* Robbins could be conceived. If, as is contended, this section has for one of its objects the relief of suitors from protracted and expensive litigation, that end

would be defeated by such a construction. The number of appeals that could be taken in each case would be practically unlimited, for after the Circuit Court of Appeals had passed upon an appeal from an interlocutory order granting an injunction, and let us say affirmed it, the Circuit Court might, in its discretion, modify that order in some particular, and directly another appeal would lie, and so on ad infinitum, until eventually the master's report should be filed and a final decree entered, from which an appeal could be taken, upon which at last the Circuit Court of Appeals would have jurisdiction to determine the case on its merits.

It is respectfully submitted that the view of the question now before this Honorable Court that was adopted and acted upon by the Circuit Court of Appeals of the Ninth Circuit on the hearing of the appeal in this case is supported by the weight of authority in courts of co-ordinate jurisdiction; by the reasonable interpretation of Section 7 of the Act of March 3, 1891 in accordance with the settled rules of construction; and by analogy, by the practice in English Courts of Chancery on appeals from interlocutory orders, which this statute for the first time introduces into the practice of the Federal Courts.

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